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BRUGNARA PROPERTIES VI

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

In re  
BRUGNARA PROPERTIES VI,  
Debtor.  
Federal ID No. 91-2003281

Chapter 11 No. 10-33637

**SUPPLEMENTAL DECLARATION OF  
KATHERINE BRUGNARA IN RESPONSE  
TO OPPOSITION TO U.S. TRUSTEE'S  
MOTION TO CONVERT CASE TO  
CHAPTER 7**

Date: June 3, 2011  
Time: 10:00 a.m.  
Court: Judge Montali

I, Katherine L. Brugnara, declare and state as follows:

1. I am the responsible person for debtor, Brugnara Properties VI ("Debtor"), in this Chapter 11 case. I have personal knowledge of the facts set forth in this declaration and if required I could and would testify competently to such facts under oath. I make this declaration in response to the U.S. Trustee's reply to the Debtor's opposition to the U.S. Trustee's

1 motion to convert this Chapter 11 case to Chapter 7 (the  
2 "Conversion Motion").

3       2. The U.S. Trustee's reply attaches a copy of a proof of  
4 service I executed on May 4, 2011 for a pleading my husband, Luke  
5 Brugnara, prepared and sent me from the federal correctional  
6 facility in Texarkana, Texas with a current request that I mail  
7 that document to Eric Nyberg, Esq. in Oakland and file the  
8 original. I did so. I received the document that I served and  
9 filed by mail along with a request that I serve and file the  
10 document. My actions in filing and serving that document do not  
11 change what I have said previously and repeat: I have and have  
12 had limited communication with Luke Brugnara under his current  
13 circumstances and that has been the case for the last year; I do  
14 not have the access I would like or need to information regarding  
15 our community assets that I believe exceed \$20,000,000.00 and  
16 will be the source of payment to the creditors under the Debtor's  
17 plan.

18       3. When Luke Brugnara has telephoned me, from time to  
19 time, those calls have a very limited duration: approximately  
20 three minutes. Such calls have not allowed me to obtain the  
21 information that I would like to furnish to the U.S. Trustee and  
22 to the Court regarding the assets that will be used to fund the  
23 plan.

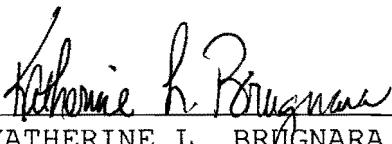
24       4. I also received and attach hereto a hand-printed  
25 declaration of Luke Brugnara signed May 4, 2011. His declaration  
26 states that his net worth (in which I have a community interest)  
27 has been calculated by the United States Attorney in San  
28 Francisco and the Department of Justice at \$31,000,000.00. The

1 declaration further states that he will inject/infuse/advance to  
2 me any funds necessary to pay the expenses of Brugnara Properties  
3 VI. Last, the declaration is signed by Luke Brugnara under  
4 penalty of perjury.

5 5. I requested the assistance of Donna Tamanaha, who works  
6 for the same Justice Department as those who prepared the request  
7 of Luke Brugnara's assets, for her assistance in obtaining a copy  
8 of that request.

9 6. I have caused to be prepared a modification of the  
10 second amended Chapter 11 plan, to provide for a sale of the  
11 Debtor's property at 224 Sea Cliff Avenue in San Francisco if the  
12 Debtor has not commenced payments as called for by the plan by  
13 March 15, 2012. By the modification, Debtor would have two  
14 months to enter into a bona fide escrow for the sale of the  
15 property; if such an escrow were not opened by May 15, 2012, the  
16 secured creditors would be free to exercise their secured  
17 creditor rights and remedies.

18 I declare under penalty of perjury under the laws of the  
19 state of California that the foregoing is true and correct.  
20 Executed on June 2, 2011 at San Francisco, California.

21  
22   
23 KATHERINE L. BRUGNARA  
24  
25  
26  
27  
28

# US FEDERAL BANKRUPTCY COURT

BRUGNARA PROPERTIES VI, a  
California corporation

## Chapter 11 Reorganization

GUARANTEE AND  
DECLARATION OF  
LUKE D. BRUGNARA

I, Luke Brugnara declare the following to be true and correct under penalty:

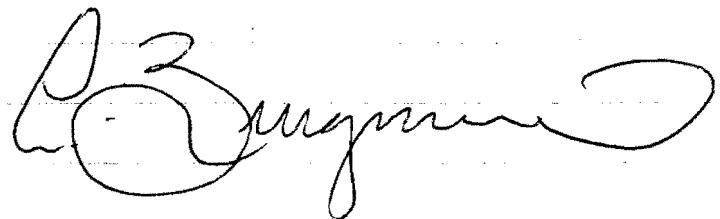
- 1) I am married to Kay Brugnara, owner and President of Brugnara Properties VI.
- 2) I am currently confined at Texarkana FCI due to be released December 2011, however I may be released in June, if I win my appeal (currently available for viewing on PACER, 9th Circuit Court of Appeals).
- 3) In that Federal case, Court-approved documents, prepared by the United States Attorneys and the Department of Justice, have my NET WORTH calculated at thirty one million dollars (\$31,000,000.00).  
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(2)

- 4) I will inject /infuse/ advance any funds (if any are required) to Kay Brugnara to pay any expenses of Brugnara Properties VI upon her request / demand.
- 5) This is an irrevocable guarantee; to inject all required /requested funds (if any) to Kay Brugnara for the orderly operations/ expenses of Brugnara Properties VI. This is an enforceable guarantee made under Court jurisdiction under penalty of perjury. This guarantee shall only be terminated if Kay Brugnara no longer owns or controls Brugnara Properties VI.
- 6) My calculation of NET WORTH is much higher than the thirty one million dollar (\$ 31,000,000.00) Federal court-approved calculation.

I declare under penalty of perjury to be true and correct:

5/4/11



LUKE BRUGNARA